

DEPARTMENT OF THE INTERIOR,
CENSUS OFFICE.

ROBERT P. PORTER,
Superintendent.

Appointed April 20, 1889; resigned July 31, 1893.

REFERENCE COPY

CARROLL D. WRIGHT,
Commissioner of Labor in charge.

Appointed October 5, 1893.

REPORT

ON

INSURANCE BUSINESS

IN

THE UNITED STATES

AT THE

ELEVENTH CENSUS: 1890.

PART I.

FIRE, MARINE, AND INLAND INSURANCE.

CHARLES A. JENNEY,

SPECIAL AGENT.



*Bureau of the Census
Library*

WASHINGTON, D. C.:
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LETTER OF TRANSMITTAL.

DEPARTMENT OF THE INTERIOR,

CENSUS OFFICE,

WASHINGTON, D. C., July 20, 1894.

SIR:

I have the honor to transmit herewith the final report on Insurance, Part I, containing the fire, marine, and inland insurance. This work was prepared by Mr. Charles A. Jenney, special agent.

I am, very respectfully, your obedient servant,

CARROLL D. WRIGHT,

Commissioner of Labor in charge.

Hon. HOKE SMITH,
Secretary of the Interior.

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INTRODUCTION.

BY CHARLES A. JENNEY.

This volume, Part I of Insurance, comprises the statistics of insurance companies transacting business relating to property.

Sections I to V, inclusive, present a classified record of fire, ocean marine, and inland navigation and transportation insurance companies transacting business in the United States for the 10 years 1880 to 1889, inclusive; the financial statements as of December 31, 1889; the amount of risks written and the amount and average rate of premiums charged during the year 1889; the amount of each kind of risks written, premiums received, and losses paid, ratio of premiums received and losses paid to risks written, and the percentage of losses paid of premiums received for each company in each state and territory for the 10 years 1880 to 1889, inclusive; the assets, liabilities, and surplus January 1, 1880, and December 31, 1889, by the companies doing business in the United States December 31, 1889. The total number of these companies, as recorded in Table 1, is 2,325. Of this number, 2,230 are domestic and 95 foreign. The classification adopted divides them as follows:

Class 1. Five hundred and thirty-five companies having a joint stock capital and doing either fire, fire marine, ocean marine, or inland navigation and transportation business.

Class 2. Six companies having a guaranty capital and doing either fire, fire marine, ocean marine, or inland navigation and transportation business.

Class 3. Fifty-eight companies doing business on the mutual plan and insuring only manufacturing property.

Class 3a. Ten companies doing business on the mutual plan and insuring only ocean marine risks.

Class 4. Two hundred and eighteen companies doing business on the mutual plan and insuring all kinds of property.

Class 5. One thousand four hundred and three companies doing business on the mutual plan and insuring only dwellings and contents and farm property.

The data obtained from these companies are treated under 5 sections: Section I consists of 1 table, being a classified record, and shows the corporate title and location of each company; the date of its incorporation; the character of its charter; when it began to transact business; when it discontinued business, if it ceased before December 31, 1889; the number of years in which it transacted business; the kind of business done; the kind of property insured, and the territory covered by its business. Section II consists of 4 tables, and presents the financial statements as of December 31, 1889, of the 1,926 companies transacting business on that date. Section III consists of 1 table, and presents the amount of risks written and the amount and average rate of premiums charged during the year 1889 by the companies transacting business in the United States on December 31, 1889. Section IV consists of 1 table, and is an exhibit of the fire, ocean marine, and inland navigation and transportation business transacted in each state and territory in the United States in the 10 years beginning January 1, 1880, and ending December 31, 1889, showing the amount of each kind of risks written, premiums received and losses paid, the ratio of premiums received and losses paid to risks written, and the percentage of losses paid of premiums received for each company in each state and territory. The ratios of losses to premiums of the foreign marine insurance companies do not show a correct relation of the two. The premium account shows the whole amount received for the risks written. The losses are paid at the naval port nearest the place where they occur. Thus, a marine risk may be written in New York on a cargo destined for China; a loss may occur near a naval port in some other foreign country, where the loss would be adjusted and paid by correspondence with the head office of the company. The premium would be credited to the New York agency and the loss to the country where it was paid. Section V consists of 7 tables, and exhibits the financial condition January 1, 1880, and December 31, 1889, and the business transacted during the 10 years 1880 to 1889, inclusive, by the companies doing business in the United States on December 31, 1889.

The difference between the number of companies as recorded in Table 1 and that reported as transacting business on December 31, 1889, shows that 399 companies ceased to do business in the decade 1880-1889. Of the 1,926 companies reported as transacting business on December 31, 1889, 50, on account of destruction of books or other causes, did not make financial statements sufficiently complete to compile. The 1,876 remaining

companies, comprising 1,804 domestic and 72 foreign, reported \$1,480,459,300 ledger assets; \$1,388,480,803 ledger liabilities; \$1,352,225,196 policy holders' surplus, and \$91,978,497 surplus over all liabilities on December 31, 1889. These companies also reported \$377,540,642 receipts and income and \$289,979,649 expenditures during the year 1889. The business of these companies during 1889, which is taken as the census year for insurance statistics, as their fiscal year ends with December 31, not June 30, the date for the census, shows an excess of income over expenditures amounting to \$87,560,993. The total cash received for premiums and assessments was \$140,648,909, and the total cash expenditures for losses was \$86,583,806. The taxes on real estate were \$153,183. The taxes on premiums, the registry fees, licenses for benevolent associations, payments to fire departments, patrols, etc., amounted to \$3,033,017. The companies paid for expenses of management \$46,848,217, and for dividends and profits \$15,240,061. The foreign companies reported \$1,533,692 received from their home offices and \$2,741,096 returned thereto.

Of the total ledger assets, 419 joint stock companies compiled in Class 1 reported \$277,037,850; 3 guaranty capital companies in Class 2, \$1,044,998; 50 companies insuring only manufacturing property compiled in Class 3, \$50,050,021; 5 marine mutual companies in Class 3a, \$13,796,412; 147 companies insuring all kinds of property on the mutual plan in Class 4, \$98,437,518, and 1,252 companies insuring dwellings and contents and farm property on the mutual plan compiled in Class 5, \$1,040,092,501.

Of the total ledger assets, there were \$1,150,541,015 contingent, reported by the guaranty capital and mutual companies of Classes 2, 3, 4, and 5, and consisted of premium and deposit notes, premiums and assessments authorized by the charters of the companies to pay losses, and policies subject to assessment where no premium notes were given. The companies of Class 5 alone reported \$1,024,057,053 contingent assets, while those of Classes 1 and 3a reported none whatever. This sum is greatly increased by a large per cent of the companies in Class 5 carrying the amount of property covered, or the face value of the policies, as contingent assets, which are held as a guaranty for the payment of losses and expenses, and are subject to assessments for the same. The companies of Class 2 reported \$297,518; those of Class 3, \$43,932,038, and those of Class 4, \$82,254,406. Taking from the total ledger assets the contingent assets, \$1,150,541,015, and the assets not admissible under state laws but carried on the books of the companies as good and collectible, \$1,330,205, and there remain \$328,588,080 as the total assets admissible under state laws. This amount is divided among the different classes of companies as follows: Class 1, \$276,111,610; Class 2, \$745,209; Class 3, \$6,093,204; Class 3a, \$13,472,411; Class 4, \$16,130,198, and Class 5, \$16,035,448.

Of the total ledger liabilities, the joint stock companies reported \$209,913,557; the guaranty capital companies, \$938,819; the mutuals insuring only manufacturing property, \$47,164,326; the marine mutuals, \$11,724,706; the mutual companies insuring all kinds of property, \$90,425,507, and the mutuals insuring dwellings, contents, and farm property (farmers' mutuals), \$1,028,313,888. The total of these amounts includes \$1,150,712,607 contingent liabilities consisting of premium and deposit notes, premiums and assessments authorized by the charters of the companies to pay losses, and policies subject to assessment where no premium notes were given and divided among the different classes as follows: Class 1, \$171,592; Class 2, \$297,518; Class 3, \$43,932,038; Class 4, \$82,254,406, and Class 5, \$1,024,057,053. Taking from the total ledger liabilities the contingent liabilities, \$1,150,712,607, and the capital and scrip liabilities, \$109,534,092, and there remain \$128,234,104, the total liabilities, exclusive of capital, scrip, and premium notes. Of this amount, \$109,284,888 were reported by the companies of Class 1; \$185,029 by those of Class 2; \$3,198,164 by those of Class 3; \$3,846,796 by those of Class 3a; \$7,462,392 by those of Class 4, and \$4,256,835 by those of Class 5. The policy holders' surplus, \$1,352,225,196, is the difference between the total ledger assets and the total liabilities, exclusive of capital, scrip, and premium notes, and was reported by the different classes of companies as follows: Class 1, \$167,752,962; Class 2, \$859,969; Class 3, \$46,851,857; Class 3a, \$9,949,616; Class 4, \$90,975,126, and Class 5, \$1,035,835,666. Of the net surplus, \$91,978,497, which is the difference between the total ledger assets and the total ledger liabilities, \$67,124,293, were reported by the companies of Class 1; \$106,179 by those of Class 2; \$2,885,695 by those of Class 3; \$2,071,706 by those of Class 3a; \$8,012,011 by those of Class 4, and \$11,778,613 by those of Class 5.

Of the total income and receipts, the joint stock companies report \$134,351,394; the guaranty capital companies, \$305,685; the mutuals insuring only manufacturing property, \$32,135,072; the marine mutuals, \$5,197,942; the mutuals insuring all kinds of property, \$20,740,184, and the farmers' mutuals, \$184,810,365. The total income and receipts include \$219,760,128 receipts other than cash, consisting of bills receivable during the year remaining unpaid, amounting to \$1,256,274, and premium notes, contingent premiums, and all other resources subject to assessment received during the year, amounting to \$218,503,854. Taking this from the total income and receipts and there remain \$157,780,514, the total amount of cash received from all sources during the year, which were reported by the different classes of companies as follows: Class 1, \$133,996,000; Class 2, \$305,685; Class 3, \$6,673,743; Class 3a, \$5,197,942; Class 4, \$7,444,089; Class 5, \$4,163,055. The total net cash reported for premiums and assessments during the year 1889 was \$140,648,909. Of this amount, \$119,891,612 were reported by the companies of Class 1; \$279,048 by those of Class 2; \$6,371,071 by those of Class 3; \$4,443,252 by those of Class 3a; \$6,585,503 by those of Class 4, and \$3,078,423 by those of Class 5. Of the total disbursements of these companies during the year 1889, the joint stock companies reported \$129,302,430; the guaranty capital companies,

\$270,869; the mutual companies insuring only manufacturing property, \$19,652,028; the marine mutuals, \$5,860,969; the mutual companies insuring all kinds of property, \$18,289,626, and the farmers' mutuals, \$116,603,727. The total disbursements include \$137,271,037, assessments on premium or deposit notes that reduce their value, and notes and all other resources subject to assessment returned or canceled during the year, which leave the total cash expenditures \$152,708,612, reported by the different classes of companies as follows: Class 1, \$129,302,430; Class 2, \$270,869; Class 3, \$6,541,404; Class 3a, \$5,860,969; Class 4, \$7,112,883, and Class 5, \$3,620,057. The total amount paid for losses during the year 1889 was \$86,583,806, of which \$8,599,290 were on ocean marine risks, \$1,905,755 on inland navigation and transportation risks, and \$76,078,761 on fire losses.

For Section III, 67 companies were unable to furnish statements of risks written and premiums charged thereon during 1889, thus leaving 1,859 for which report was made. As the business of the companies in Classes 3 to 5, inclusive, is conducted on the mutual plan, they do not, as a rule, have any fixed rate of premium. The amount of their income from premiums and assessments is used as the amount of premiums charged. The total amount of risks written in the census year, \$16,062,561,260, indicates the volume of these branches of insurance business. Upon this volume the premium charge was \$165,834,837. Of the total amount written, \$13,590,497,747 covered fire risks, and \$2,472,063,513 ocean marine and inland risks. The premiums charged for the fire risks were \$147,837,094 and for the ocean marine and inland risks \$17,997,743. The average rate of premiums to each \$100 of risks written was \$1.09 for the former and \$0.73 for the latter. Of the \$12,171,031,268 of risks written by the companies of Class 1, upon which \$127,899,930 was charged in premiums, the average rate was \$1.05 for each \$100 of risks, while of the companies of Class 5, writing \$331,787,574, for which they are reported as receiving in cash for premiums and assessments \$3,039,095, the average rate was \$0.92 for each \$100. The average rate of the companies of Classes 3 and 4 was \$1.40 and \$1.76, respectively.

During the decade 1880-1889, inclusive, the property of the people of the United States was protected by insurance, as shown in Table 7, Section IV, to the amount of \$120,067,235,826. For this protection the people paid \$1,156,450,512, or an average rate of \$0.9632 for each \$100 insured. The amount returned to the insured in payment of losses was \$647,663,097, or an average of \$0.56 for every dollar of premiums paid. The average amount of losses paid to each \$100 of risks written was \$0.5394. The territory of Alaska paid the highest average rate of premiums, namely, \$3.1369 for each \$100 insured, while the District of Columbia paid the lowest, \$0.4980. The District of Columbia also showed the lowest average amount of losses paid to each \$100 of risks written, namely, \$0.1567. The highest average rate, \$4.5992, is that of the state of Washington. The District of Columbia likewise presents the lowest average amount of losses paid to each dollar of premiums received, namely, \$0.3146, while the state of Washington shows the highest, which was due to the conflagration in Seattle in the year 1889, which made the ratio for that year \$11.1282, and increased the ratio from \$1.4843 for the 9 previous years to \$1.6933 for the 10 years. The largest amount of risks written in any state during the decade was located in New York, and amounted to \$43,052,561,048.

The volume of the fire, marine, and inland insurance business of the nation increased during the decade from \$9,956,099,702 in risks, \$88,067,018 in premiums, and \$47,236,411 in losses in 1880, to \$14,137,913,089 in risks, \$137,334,980 in premiums, and \$82,345,993 in losses in 1889. The average amount of premiums received to each \$100 of risks written also increased from \$0.8846 in 1880 to \$0.9714 in 1889. The average amount of losses paid to each \$100 of risks written increased from \$0.4744 in 1880 to \$0.5824 in 1889. The percentage of losses to premiums increased from \$0.5364 in 1880 to \$0.5996 in 1889.

The fire business increased gradually from \$7,833,100,641 in risks written, \$69,145,406 in premiums and assessments received, and \$35,329,779 in losses paid in 1880 to \$11,723,575,150 in risks written, \$120,999,991 in premiums and assessments received, and \$71,318,911 in losses paid in 1889. The average rate of premiums received for each \$100 of risks written in this kind of business increased from \$0.8827 in 1880 to \$1.0321 in 1889. The ocean marine business increased to a less degree, namely, from \$1,630,556,246 in risks written, \$15,879,253 in premiums received, and \$9,964,529 in losses paid in 1880 to \$1,963,341,452 in risks written, \$14,249,990 in premiums and assessments received, and \$9,848,947 in losses paid in 1889, while the average rate of premiums received to each \$100 of risks written decreased from \$0.9739 in 1880 to \$0.7258 in 1889. The inland business decreased from \$488,514,675 in risks written, \$2,976,657 in premiums and assessments, and \$1,917,400 in losses paid in 1880 to \$429,701,117 in risks written, \$1,807,385 in premiums and assessments received, and \$1,087,373 in losses paid in 1889. The average rate of premiums received to each \$100 of risks written decreased from \$0.6075 in 1880 to \$0.4206 in 1889.

The perpetual fire business increased during these 10 years from \$10,033,725 in risks written, \$222,936 in premiums, and \$121,037 in losses paid in 1880 to \$21,891,199 in risks written, \$494,718 in premiums, and \$161,953 in losses paid in 1889. The average amount of deposit premiums received for each \$100 of risks written increased from \$2.2219 in 1880 to \$2.2599 in 1889.

For the exhibit of the financial condition on January 1, 1880, and December 31, 1889, the receipts and expenditures for the 10 years 1880 to 1889, inclusive, and the financial results of the business of this decade for the companies transacting business on December 31, 1889, shown in Tables 8, 9, and 10 of Section V, Class 5, had to be omitted, as so large a proportion of its companies were unable to furnish the data for the 10 years. Of the

645 remaining companies, comprising Classes 1, 2, 3, 3a, and 4, 21 companies were unable to make financial statements sufficiently complete to compile. The remaining 624 companies reported for January 1, 1880, ledger assets amounting to \$279,404,510; liabilities, \$222,395,267, and net assets, \$57,009,243; for December 31, 1889, ledger assets amounting to \$440,366,799; liabilities, \$360,166,915, and net assets, \$80,199,884. They reported as receipts for the decade \$1,464,887,842, and expenditures \$1,326,217,230; a depreciation in net assets amounting to \$115,479,971, and an increase of \$23,190,641 in the net surplus.

Of the 1,926 companies included in Table 11, Section V, 52 could not make report of risks in force and premiums charged January 1, 1880, complete enough to compile. The remaining 1,874 reported \$8,792,917,702 risks in force, and \$94,551,317 in premiums charged thereon. This includes \$1,001,760,032 term fire risks in force of the companies of Class 5 which charge no premiums. Of the total risks in force, \$8,588,730,850 were fire risks and \$204,186,852 were ocean marine and inland navigation and transportation risks. Upon the fire risks the premiums charged were \$90,436,582; upon the ocean marine and inland, \$4,114,735.

For the 1,837 companies whose reports were compiled for Table 12, the risks written during the 10 years 1880 to 1889, inclusive, aggregated \$127,665,297,936, and the premiums charged thereon \$1,291,837,024. This includes \$2,480,643,930 in risks written by the companies of Class 5 which charge no premiums, but assess for losses and expenses. Of the total business written, \$108,267,531,933 (including \$16,212,381 tornado risks) was on fire risks upon which \$1,125,344,606 (including \$242,697 premiums on tornado business) was charged in premiums, and \$19,397,766,003 was on marine and inland risks, upon which the premiums charged amounted to \$166,492,418. The difference between the amount of risks written, premiums charged, and losses paid, as stated in this table and in Table 7, Section IV, is probably due to the inclusion in Table 14, Section V, of business of companies not reported in the schedules from which Table 7 was compiled, where the amount of business transacted was required to be located in each state and territory.

The risks in force on December 31, 1889, and premiums charged thereon, for the 1,865 companies whose statements were compiled in Table 13, Section V, aggregated \$18,691,434,190 and \$211,424,242, respectively. Of those amounts, \$18,428,835,260 covered fire risks, \$206,731,864 fire premiums, \$262,598,930 marine and inland risks, and \$4,692,378 marine and inland premiums. The fire risks include \$1,532,049,822 of the companies of Class 5 for which no premium charge was made, the companies assessing for losses and expenses.

The risks written, premiums and assessments received, and losses paid in the United States and in foreign countries by the companies transacting business in the United States on December 31, 1889, were compiled in Table 14, Section V, and for the 1,837 companies reporting aggregate \$127,419,706,355 risks written, \$1,075,437,900 premiums and assessments received, and \$619,840,815 losses paid in the United States, and \$245,591,581 risks written, \$1,866,519 premiums received, and \$895,977 losses paid in foreign countries.

Under the subdivision "Other Insurance Relating to Property", are given the records and financial statement showing the receipts and expenditures during 1889 and the assets and liabilities on December 31, 1889, of the following 5 kinds of insurance companies transacting business in the United States on that date: hail and tornado, real estate and guaranty, live stock, plate glass, and miscellaneous, including surety and guaranty against burglary or theft. There are 3 tables for each kind, exhibiting the name, location of principal office, date of incorporation and of beginning business and territory covered by the business of each company, receipts and disbursements, and the assets and liabilities, respectively.

Of the hail and tornado insurance companies, 12 furnished financial statements sufficiently complete to compile. These reported aggregate income and receipts amounting to \$123,032; expenditures, \$106,907; assets, \$71,711; liabilities, \$20,511.

Of the real estate and title insurance companies, the financial statements of 7 companies were compiled. These reported \$750,932 in receipts; \$497,065, disbursements; \$2,668,322, assets, and \$2,424,901, liabilities.

Of the companies doing live stock insurance, 43 reported \$685,081 in receipts and income; \$378,700 disbursements; \$1,041,083, assets, and \$875,152, liabilities.

Of the companies doing plate glass insurance, 6 reported \$636,110 in receipts and income; \$574,500 disbursements; \$963,444, assets, and \$739,719, liabilities.

Of miscellaneous companies relating to property, 3 reported \$352,729 in receipts; \$101,807, disbursements; \$1,425,610, assets, and \$1,383,887, liabilities.

Acknowledgment is due to Mr. John Warren Mack, who has been in charge of the insurance statistics of the Eleventh Census since April, 1891, for his conscientious and able oversight of the clerical labor in its preparati